

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6780

BILL NUMBER: SB 237

NOTE PREPARED: Feb 21, 2013

BILL AMENDED: Feb 18, 2013

SUBJECT: Rental Purchase Agreements.

FIRST AUTHOR: Sen. Holdman

FIRST SPONSOR:

BILL STATUS: 2nd Reading - 1st House

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: No Fiscal Impact

Summary of Legislation: (Amended) This bill makes several changes to the laws regarding rental purchase agreements.

The bill allows a lessor, in connection with a rental purchase agreement, to charge a fee for rental payments made by telephone if certain conditions are met. The fee may not exceed \$2.50.

It provides that certain fees and charges relating to rental purchase agreements are subject to inflationary adjustments under the provisions for adjustment of dollar amounts except the base year is October 2012 not October 1971. The following is a list of the applicable fees:

1. Non-refundable processing fees.
2. Rental payment pickup charges.
3. Delinquent or late payment fees.
4. Dishonored check fees.
5. Liability waiver fees.
6. Telephone payment fees.

The bill allows a lessee who fails to make timely rental payments to reinstate the original rental purchase agreement without losing any rights or options previously acquired under the rental purchase agreement if:

1. After failing to make a timely rental payment, the lessee surrenders the property to the lessor not later than seven days after the date the lessor requests the property be surrendered.

2. Not more than 120 days elapse after the date the lessee surrenders the property.

[The current law states that the lessee has to surrender the property promptly and that not more than 60 days may elapse after the date the lessee surrenders the property.]

Effective Date: July 1, 2013.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected:

Information Sources:

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